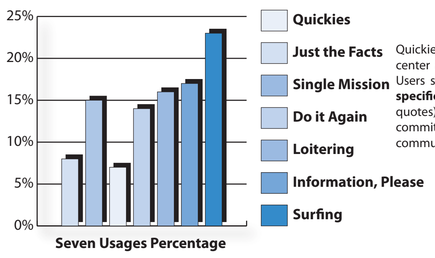
bing | TARGET MARKET ANALYSIS

Internet Usage-Based Segmentation



Usage	Session Lenght	Time per page	Sites Familiarity	Number of sites	Page per site	Time per site
Quickies	1 min	15 sec	90%	1,8	2,2	0,6 min
Just the Facts	9 min	30 sec	88%	10,5	1,7	0,9 min
Single Mission	10 min	1.5 min	11%	2,0	3,3	4,9 min
Do It Again	14 min	2 min	95%	2,1	3,3	6,7 min
Loitering	33 min	2 min	90%	8,5	1,9	3,9 min
Information, Please	37 min	1 min	14%	19,7	1,9	1,9 min
Surfing	70 min	1 min	85%	44,6	1,6	1,6 min

Quickies

Quickie sessions are **typically short** (1 minute) and center around visits to two or **fewer familiar sites**. Users spend **about 15 seconds per page** extracting **specific bits of information** (sports scores, stock quotes) **or sending e-mail**. Their attention is fo me commitment—entertainment, shopping, and communities—are not on the itinerary.

Just the Facts

Just the Facts occasions find users seeking **specific pieces of information from known sites**. At 9 minutes these occasions are **longer than Quickies** but share the aspect of **rapid page views** (30 seconds each). In Just the Facts sesions, users are finding and evaluating bits of **information from related sites**. For example, someone seeking a certain type of shoe would move quickly from site to site checking for the right size, style, or price until he found just the right pair. These sessions **typically** include visits to **sites that are transaction-oriented or time-co suming**, such as travel, sports, and directories. Just the Facts occasions are **less likely to involve sites best enjoyed at leisure**, such as entertainment.

Single Mission

In Single Mission occasions, users want to **complete a certain task** or **gather specific informmation**, then leave the Internet. At 10 minutes, the average session is about the same length as Just the Facts, but the 11/2 minute page views indicate the occasion involves more reading than Quickies and Just the Facts sessions. When on Single Missions, users venture into **unfamiliar sites to find what they need**, while concentrating on **sites within a single category** (e.g., sports, portals/search engines, entertainment, and real estate). Telecom and Net services are rarely visited. In a sample occasion, a woman seeking information about her high-school reunion would start at a search engine to find her school, click around to find the reunions page, learn about the logistics and registration, then leave.

Do It Again

Do It Again occasions are 14 minutes long and notable for the lingering 2-minute page views. The name reflects the strong focus in these sessions on **familiar segments**—95 percent of the time is spent at sites the user has visited four or more times in the past. These users **repeatedly go to favorite sites** for auctions, gaming, and investing. Typical activities include online banking transactions, MP3 file downloads, and participation in chat sessions. These occasions rate low for shopping and directory searches, since **the users know exactly where they want to go.**

Loitering

At 33 minutes in length with 2-minute page views, Loitering occasions are akin to Do It Agains: Leisurely visits to **familiar "sticky"sites**, such as news, gaming, telecommunications/ ISP, and entertainment. **The page views** are tied with Do It Again for **the longest among the seven occasion cohorts.** A typical visit might involve **reading about** favorite TV shows and celebrities on a TV network site. There are few visits to **sites that offer quick, practical bits of information**, such as shopping and directories.

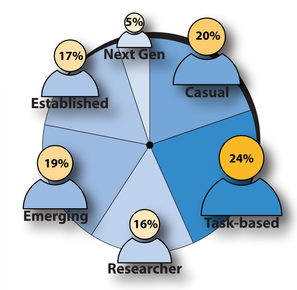
Information, Please

Information, Please occasions average 37 mi utes and are used **to build in-depth knowledge** of a topic, perhaps for a research report. They differ from Single Missions because users are gathering **broad information from a range of sites**. Information, Please sessions tend not to concentrate on a single type of site, or on familiar sites; **users are going far afield from their usual destinations**. For instance, a user might be researching all aspects of buying a car— finding the most appealing model, computing a trade in, finding a dealer, arranging a loan. These occasions are heavy on directories, travel, automotive, and government Web sites, but light on telecom and portals/search engines.

Surfing

Surfing occasions are **by far the longest**, averaging 70 minutes, with **few stops at familiar site**s, as users hit nearly 45 sites in a typical occasion. Time per page is a minute or more, suggesting **wide, but not deep, explorations**. **Users gravitate to sites that grab their attention immediately**: shopping, online communities, and news, with little time spent at portals/search engines and education sites. Since these sessions are **not concentrated in any one category**, they appear random. One user, for example, can check e-mail, then read soap opera updates and then checked prices on amusement parks.

Internet User-Based Segmentation



Six Users Percentage

- Next Gen user
- Established user
- Emerging user
- Researcher
- Task-based user
- Casual user

Casual user

To the casual user, **the Internet is a fun and entertaining way to spend time**. Generally, the casual user **visits the same small set of sites on a regular basis and does not engage other users online**. This segment is most likely to subscribe to a daily newspaper, to find value in weekly newspaper circulars, and believe that companies should never send them email.

Task-based user

The task-based **user believes that technology is moving too fast** and sees Internet usage specifally as a chore. This segment is also most likely to **feel the need for assistance when using the Internet**. Their online behaviors **focus on completing a specific task** such as online banking or making travel arrangements.

Researcher

The research segment **enjoys being online and conducts online research prior to makin offline purchases**. They **consider themselves to be trendsetters**. However, **they do not transact online**. The Internet is a trusted source of information and enables them to learn about new products and services.

Emerging user

This segment is likely the traditional 'sweet spot' for online advertisers. The segment is **the most responsive to information on the Internet**, and **they conduct research online as well as transact online**.

Established user

The established segment consists of **ecommerce veterans** who **nurture and develop online relationships.** They **consider themselves to be trendsetters but do not pay attention to online advertising**. Rather, **they rely on peer reviews to gain information on products and services**. This segment is the most likely to play online games and receives, on average, the most emails per week of all of the segments.

Next Gen user

The youngest and most affluent of all the se ments, the next Gen segment **grew up online** and **considers their mobile phone a natural extension of their Internet experience**. Me bers of this segment **enjoy being online** and are **the most likely to contribute via social networking tools** (blogs, social networks, etc.) While this segment receives fewer emails than the established users, they tend to be more frequent users of instant messaging and SMS services, which likely decreases the amount of email they receive.

5 Forces Model Strategy Framework

Threat of New Entrants
Medium

Although internet search has been around since the rise of the internet, **sites** like YouTube, Facebook and Twitter **can spring up very quickly and become competitors to established brands**. Such sites often start off with limited funds and only an idea, meaning **new entrants are always a possibility and should be anticipated**.

Bargaining Power of Suppliers
Low

The suppliers of software and hardware, which make search and socialising services possible, **have very little influence on companies like Bing**, Google and YouTube. **The intellectual property of the companies themselves is the most valuable part of their value chain**.

Industry Rivalry
High

The internet poses a complicated problem to internet advertisers when looking at their competition. Although a company like **Bing competes directly with Google for internet search domination,** they compete directly **with sites like Facebook for the clients money**. However, **these sites share many of the same users as their products are not mutually exclusive**. This brings **companies from different areas in to much closer competition with each other**. This means that **rivalry for the clients money is extremely high** and **there are many big players competing** for every dollar such as Facebook, YouTube, CNN.com, Google, Twitter, Amazon, Ebay and the list goes on and on...

Bargaining Power of Buyers
Low

Large web advertisers often have many, even thousands, of **customers**. This means that **one customer is unlikely to make up a significant share of a company's revenue.** However, every site can have advertisements, **but only a select few offer access to millions of people** in the way YouTube, Google and Bing can.

Threat of Substitutes
Medium

Many claim that **the way internet search engines earn money will soon be overshadowed by websites** like Facebook, **which offer more personal contact with consumers**. The internet is an ever evolving entity, **at any moment such substitutes can emerge and pose a serious threat** to the revenue of 'old fashioned' companies.

Microsoft Product Portfolio

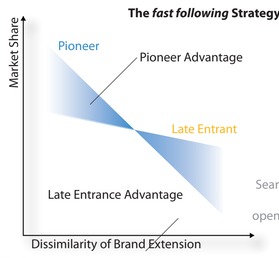
bing | STRATEGY

The *fast following* Strategy of Microsoft Bing

Providing the best experience for the user, period.

A *fast following* strategy relies on **playing the game the pioneer has created**, but **doing so better or with more resources than the pioneer**. Fast followers do not challenge the logic of the pioneer's efforts to create the market. In fact, **they embrace that logic and seek to capture the profits associated with it.**

Fast following is **one of the most effective routes to beating the pioneer at its own game.** With this strategy you can analyse which tactics worled, and which ones to avoid. Coca-Cola has done this very successfully with their Monster brand, which has copied exactly many tactics pioneered by Red Bull.



Google Advantage Analysis

Unified Design Language
A design language or design vocabulary is an overarching scheme or style that guides the design of a complement of products or architectural settings.

Usability
Usability refers to the ease of use and learn-ability of a human-made object.

"It just works" experience
Use of the services is logical, it works the way they are expected to work. The different services work well together and in a similar style increasing synergy.

Relevancy of results
The input I put in I get the result I am looking for.

Open Source
Google supports open source, a free, transparent soultion to how the computer is used. This builds trust and a feeling of involvement with users.

Speed of search
The faster I get a result themore the user feels in control.

Cost of executing a search query
Searching is expensive, Google has known this from the start. Google has built their own cost effective servers and has opened up an electric company to become competitive in the electronic generation business.

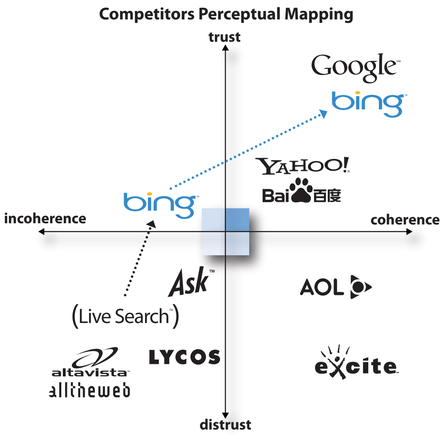
Steps to follow on the fast following Strategy.

1. Brand growth rates.
Fast Followers, or growth-stage entrants, grow faster throughout their entire life span than either pioneers or mature-stage entrants.

2. Buyer response to marketing activities.
In the case of buyer response to product quality, buyers are most responsive to changes in quality levels by fast followers.

3. Competitive impact.
Fast followers, or growth-stage entrants, enjoy a unique level of insularity from competitors that others do not share.

Competitors Perceptual Mapping



SWOT "synthesis"

Strengths
- Bing's search algorithms work the best
- Success of Microsoft Office suite and Windows gives user trust in Microsoft as brand
- High advert recognition by users of Bing

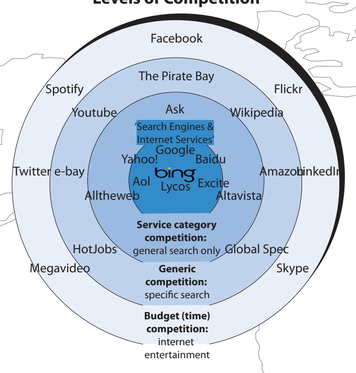
Opportunities
- Freemium business model (basic sevice for free, additional service charge)
- Microsoft integration
- Customers want to search sustainable

Weaknesses
- Only offer one service: internet search
- Not knowingly connected to Microsoft
- Unknown for almost 90% of the market.

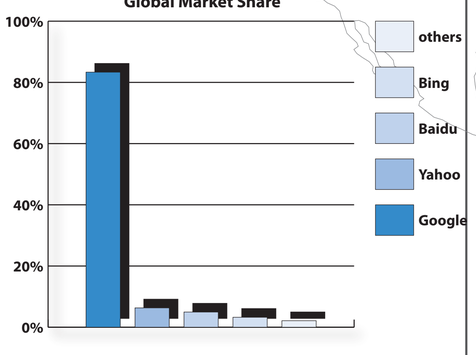
Threats
- Google is much bigger
- Competitors already offer all-in service package
- Competitors are well-known by customers

bing | MARKET ANALYSIS

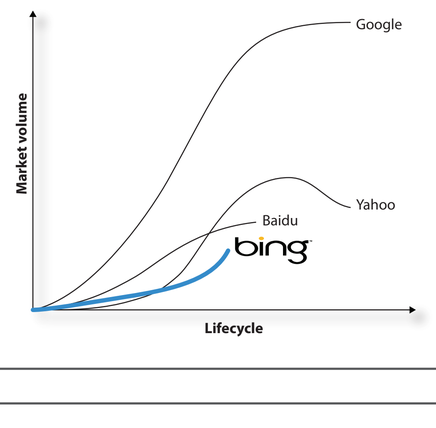
Levels of Competition



Global Market Share

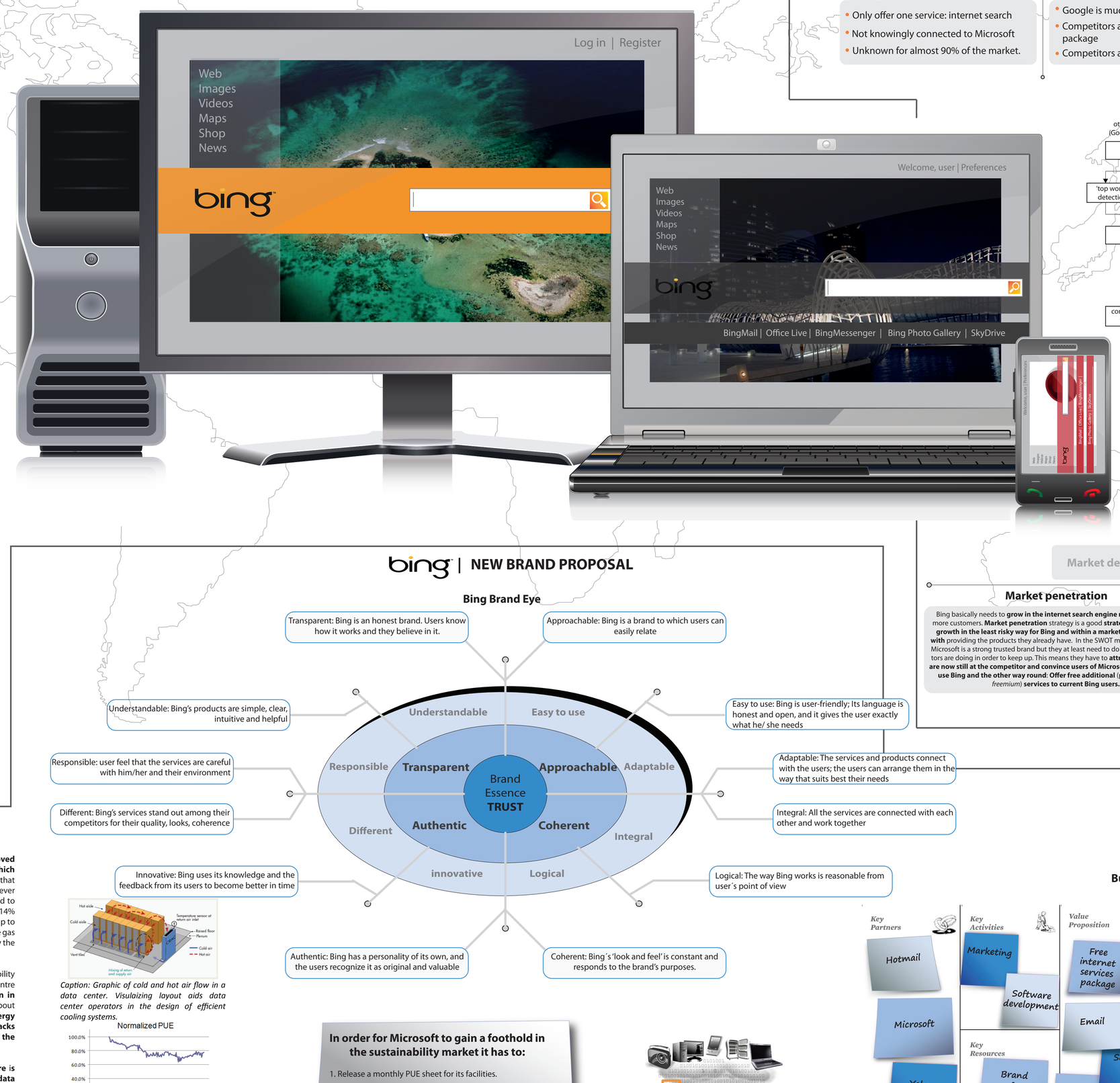


Competitors Life Cycle

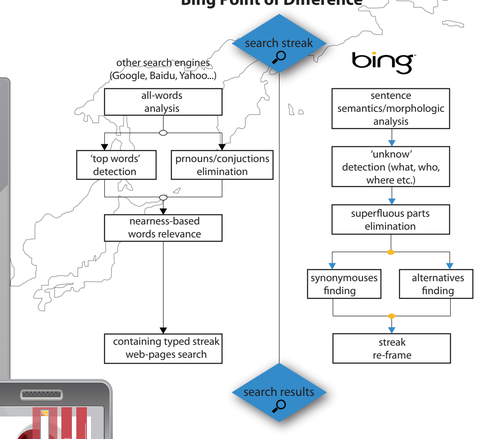


bing | CONCEPT PROPOSAL

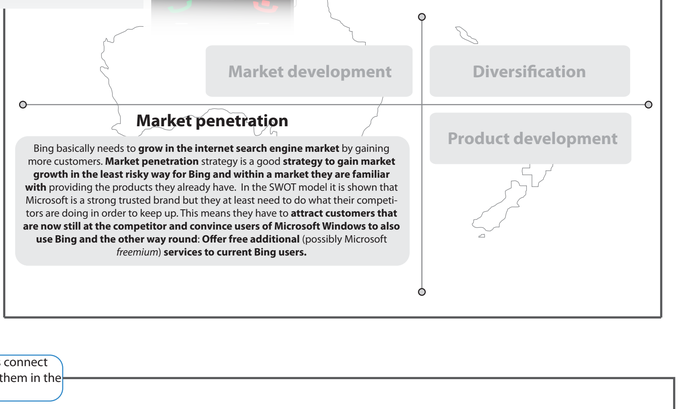
All Microsoft online services under one brand: Bing



Bing Point of Difference



Ansoff matrix



Bing basically needs to **grow in the internet search engine market** by gaining more customers. **Market penetration** strategy is a good **strategy to gain market growth in the least risky way for Bing and within a market they are familiar with** providing the products they already have. In the SWOT model it is shown that Microsoft is a strong trusted brand but they at least need to do what their competitors are doing in order to keep up. This means they have to **attract customers that are now still at the competitor and convince users of Microsoft Windows to also use Bing and the other way round**: **Offer free additional** (possibly Microsoft *freemium*) **services to current Bing users.**

bing | NEW BRAND PROPOSAL

Bing Brand Eye

Business Model

The sustainability angle

Currently **computing is undergoing a radical shift of domains. Information is being moved from personal computers to the cloud,** in simple terms a distant server or **data centre which stores the information accessed online by the users**. The paradox of **cloud computing is** that it is essentially **a 'green' concept**, **as grid computing is a lot more energy inefficient**. However in 2007 the entire information and communication technologies (ICT) sector was estimated to be responsible for roughly 2% of global carbon emissions with data centres accounting for 14% of the ICT footprint. The US EPA estimates that servers and data centres are responsible for up to 1.5% of the total US electricity consumption. Given a "business as usual" scenario greenhouse gas emissions from data centres is projected to more than double worldwide from 2007 levels by the year 2020.

One of the first steps in an energy efficiency effort is to create awareness, and that responsibility falls on a team whose job it is to create systems that monitor, report, and analyze the data centre efficiencies. **Microsoft has made data centre metrics part of regular communication in running its Web services**, and has developed internal tools to communicate information about data centre operations. **Microsoft's Web services decision makers now receive energy efficiency reports about data centre performance in a closed feedback loop that tracks improvements and changes**. **Nevertheless the changes do not bring Microsoft on the energy efficiency level of Google who currently are "king of the hill".**

The most commonly used metric to determine the energy efficiency of a data centre is power usage effectiveness, or PUE. This simple ratio is **the total power entering the data centre divided by the power used by the IT equipment.**

$$\text{PUE} = \frac{\text{Total Facility Power}}{\text{IT Equipment Power}}$$

Power used by support equipment, often referred to as overhead load, **mainly consists of cooling systems**, **power delivery, and other facility infrastructure like lighting.** The average data centre in the US has a PUE of 2.0, meaning that the facility uses one Watt of overhead power for every Watt delivered to IT equipment. State-of-the-art data centre energy efficiency is estimated to be roughly 1.2. This includes some facilities owned by Microsoft and Yahoo but still **Google is the efficiency leader** with an energy-weight average not higher than 1.19 yearly for all its facilities.

Caption: Graphic of cold and hot air flow in a data center. Visulaizing layout aids data center operators in the design of efficient cooling systems.

Caption: A graph of a Microsoft data center and its PUE over a three-year period. This demonstrates PUE performance over a period of time, which enables further analysis of the energy efficiency of the data center when compared to other data centers.

In order for Microsoft to gain a foothold in the sustainability market it has to:

1. Release a monthly PUE sheet for its facilities.

2. Structure a program to efficiently lower overhead power.

3. Outsource data centres to countries like Finland, which provide tax incentives and low energy prices. Finlandis becoming a popular location for data centres.

4. Announce improvements and tackle the 0.3 Watt mark of a Google search.

bing | Adam Allchin 1324837, Manuela Calle 4104692, Deian Mishev 4073266, Francesco Palazzo 4073339, Claire Visee 1242725, Nico Zahn 4073398